

Borough of Hawthorne

BUDGET
BRIEFING

2009 Budget Presentation

Budgetary and Financial Goals:

BUDGET
BRIEFING

- Maintain desired level of municipal services (current and future)
- Minimize deferral of costs into future years (by borrowing, failing to fund liabilities, etc.)
- Maintain surplus regeneration for future years, without using more surplus than can be regenerated

Challenges for 2009 Budget:

BUDGET
BRIEFING

- Reduction in State Aid, but an increase in State Pension Payments
- Reduction in local revenues, due in part to the economy
- Increase in Debt Service due to 2008 Bond Sale
- Increases in: Salaries, Benefits, PVSC Payment

Key Budget Points

Total Budget: \$18,389,823

BUDGET
BRIEFING

Revenues:

- \$50,000 **Reduction** in “Reserve for Payment of Debt”
- \$75,000 **Reduction** in Interest Income
- **Loss** of \$145,000 Revenue from Water Utility
- \$39,000 **Reduction** in State Aid
- \$50,000 **Increase** in Delinquent Tax Receipts

Key Budget Points

Total Budget: \$18,389,823

BUDGET
BRIEFING

Appropriations:

- Pension Costs **Up** \$113,000 (13.5%)
- Debt Services Costs **Up** \$150,000 (8.6%)
- **Increase** in Salaries - \$118,000 (1.8%)
- **Increase** in PVSC Payment \$66,000 (6.8%)
- \$18,000 for COAH Plan and \$30,000 for Master Plan Update
- **Reductions** for Gasoline and Telephone

Key Budget Points

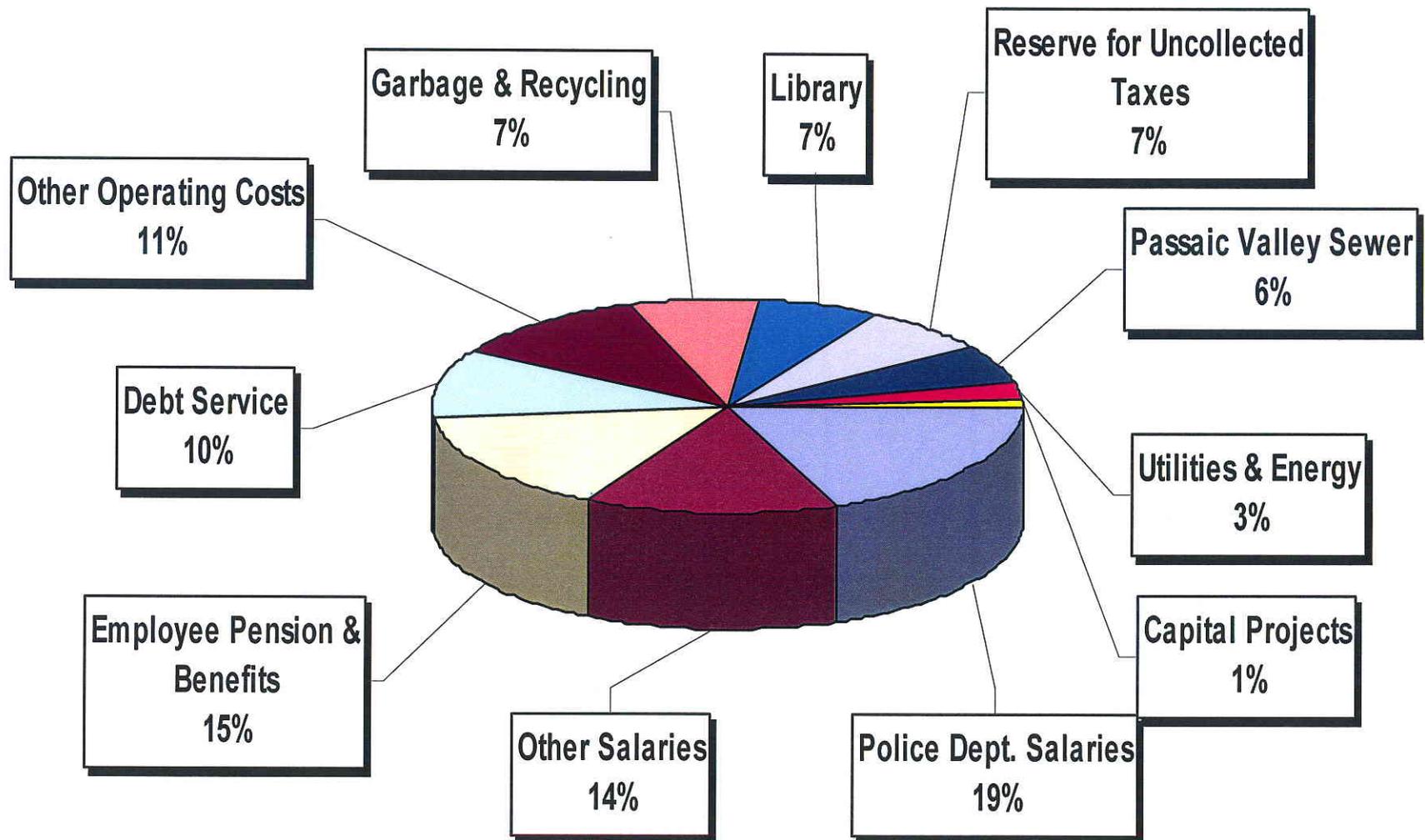
BUDGET
BRIEFING

Capital:

- \$600,000 for Road Improvements
- \$250,000 for Municipal Building HVAC
- \$185,000 for Replacement of Street Sweeper
- Grants for Handicapped Ramps and Central Avenue Repaving
- \$152,400 Smaller capital items funded from surplus rather than taxes or borrowing

2009 BUDGET APPROPRIATIONS

BUDGET BRIEFING



Municipal Tax Impact

BUDGET
BRIEFING

\$ Increase for the Average Home
Assessed at \$182,000

= \$104

or 5.9%

\$ Increase per each \$100,000 of
Assessed Value

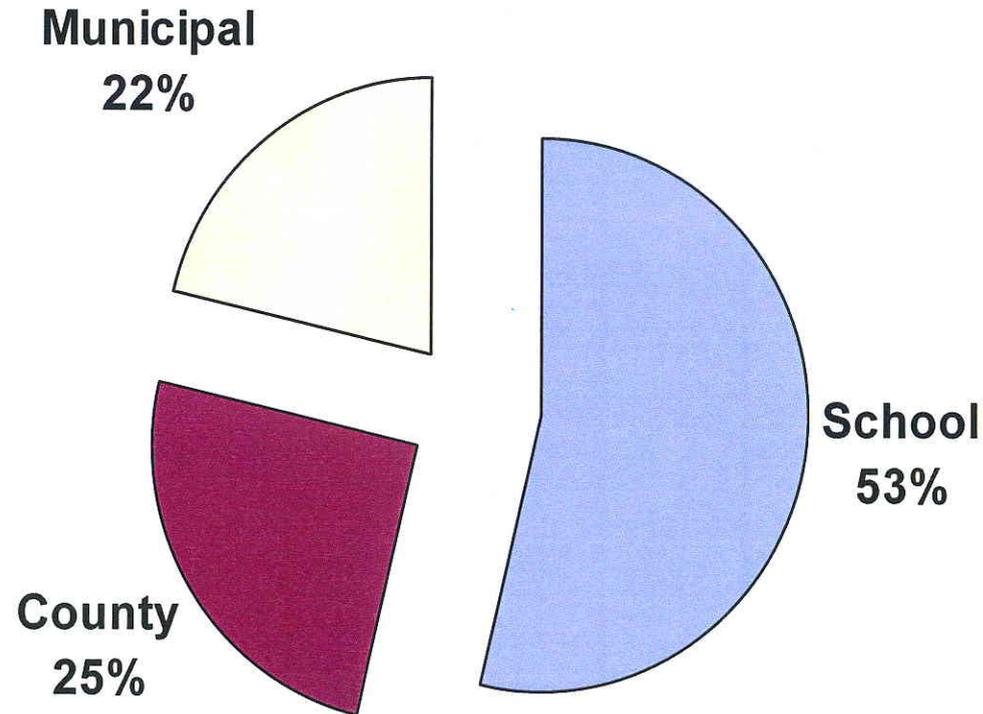
= \$57

Pension Deferral Option

- State law allows for deferral of pension obligation - 50% of 2009; 40% of 2010; and 20% of 2011.
- Could reduce 2009 budget by \$509,000, giving 1.9% tax Increase.
- Amounts deferred would be repaid with interest over 15 years, beginning in 2012.
- **Borough has rejected this option as fiscally unsound.**

Distribution of Hawthorne Property Taxes

**BUDGET
BRIEFING**



Breakdown of Average 2009 Tax Bill

BUDGET
BRIEFING

School	\$4,536
County (estimated)	\$2,093
Municipal	\$1,858
Total	\$8,487

Services Funded From Municipal Taxes

BUDGET
BRIEFING

- Police
- Library
- Garbage, Recycling, Leaf Pick-up
- Sewer Service
- Road Maintenance
 - Cleaning*Snow Plowing*Traffic Lights*Street Lights
- Fire and Ambulance Service
 - Budget Supports Volunteer Services
- Recreation
- Shade Tree
- Code Enforcement
- Court

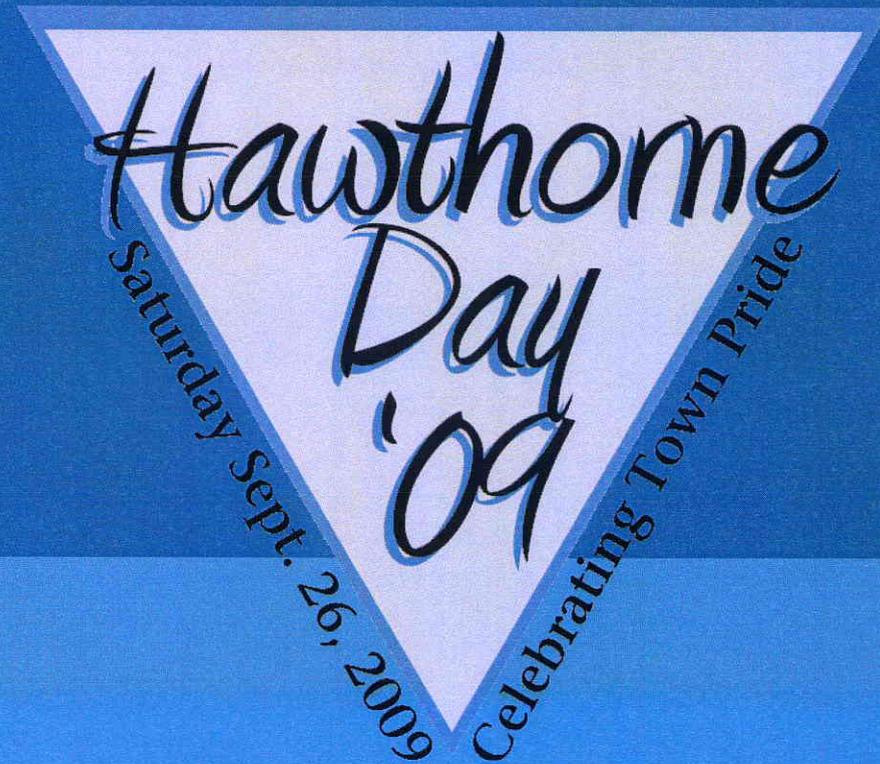
Municipal Tax Bill for the Average Home Assessed at \$182,000
Per Year: \$1,858 **Per Month: \$155**

Four-Year Budget Projection

**BUDGET
BRIEFING**

	2009 Proposed	2010	2011	2012
Total Budget	18,389,823	18,804,043	19,559,160	20,131,833
Tax Levy	12,652,715	13,323,481	14,040,579	14,592,271
Tax Rate	1.021	1.074	1.131	1.174
Increase	5.9%	5.2%	5.3%	3.8%

SAVE THE DATE



September 26, 2009